

Congress of the United States
Washington, DC 20515

September 21, 2006

Mr. David J. O'Reilly
Chairman and Chief Executive Officer
Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, CA 94583

Dear Mr. O'Reilly,

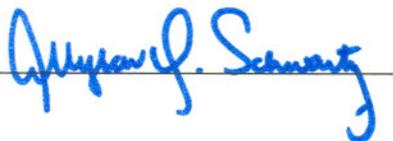
As Members of Congress, we have been working vigorously to reduce the United States' dependence on foreign oil – championing proposals to develop new, renewable, and sustainable sources of energy. However, the goal of achieving energy independence will only be met if we have the resources necessary to make advancements. Chevron's discovery of a potentially new source of oil provides a great potential benefit to Chevron, but if Chevron expects to be viewed as a good corporate citizen it also demands that you immediately renegotiate the terms of your leases with the federal government for drilling at the Jack Oil Field. Specifically, you must ensure that all of Chevron's leases for drilling on public lands contain market-based price thresholds that suspend so-called "royalty relief" for such drilling whenever oil prices are high.

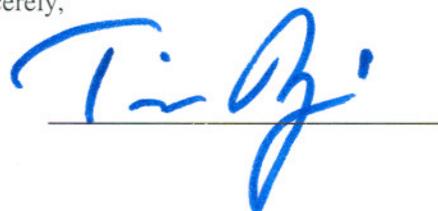
As you know, Chevron entered into an agreement with the U.S. Department of Interior in the late 1990's that would allow your company to avoid paying royalties to the U.S. government for the oil recently discovered. Two of the leases permitting you to explore Jack Oil Field, as currently written, could result in the loss of \$1.5 billion or more being returned to the U.S. Treasury and U.S. taxpayers. This is wrong. The oil discovered was found on taxpayer-owned lands. As such, Chevron cannot merely stop and celebrate this development as a victory for its shareholders. Rather, it must ensure that this discovery results in a victory for American taxpayers. By renegotiating your leases with the federal government, you will be returning to U.S. taxpayers funds needed to promote increased usage of renewable energy resources like solar, wind, and bio-energy.

We hope you will lead by example, and we will be watching closely to see how your company handles this situation. We also are committed to pursuing enactment of legislation this year that would provide the Department of the Interior with the authority to renegotiate the terms of the leases and prohibit any company that refuses to do so from acquiring future leases. As you know, the U.S. House of Representatives voted overwhelmingly in support of taking this approach, and we are pressing for its enactment into law so that all 56 companies holding these leases from 1998 and 1999 will have a strong incentive to renegotiate. We note, however, that with this discovery your corporation has an opportunity to be a responsible actor right now, and set an example for the rest of the oil and gas industry by sitting down with the Department of the Interior and concluding an agreement on these leases that are fair to the American taxpayer and ensure that Chevron pays the public for drilling on offshore public lands.

Thank you for your consideration in this matter. We look forward to hearing how your company intends to address the royalty issue, and we look forward to working with you on this and other matters to improve U.S. energy security.

Sincerely,





Jim Moran

Ben Rubin

Bill Salant

John Group

Vita M. Sorey

Cher Fattah

Pety deFry

John B. Ryan

Carolyn McCarthy

Not a Brady

Joy Sordice

Brian Higgins

Rosa L. DeLauro

Bill Pascrell Jr

Robert E. Arock

James Dineen

Carlton B. Maloney

Edward J. Markey

Jim McDermott

John W. Olver

Raul M. Grijalva

Jim Givins

Paul Candiano

Tammy Baldwin

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